

parts which cannot be said to be inter-related. With regard to the second part, dealing with the power to be given the parliament of Canada to authorize the government of Canada to guarantee payment of the principal, interest and sinking fund of certain provincial securities and to receive pledges or guarantees with respect to the liquidation of provincial indebtedness, personally I should have thought—and I have seen no legal opinion to the contrary—that at present Canada is authorized to do that by legislative enactments of the parliament of Canada under the general provisions of section 91, dealing with peace, order and good government. I can see no reason why it should be suggested that the loans which have been made during recent years to the provinces were not validly made and were not within the jurisdiction of this parliament and the government of Canada.

As to the other suggestion contained in this address, that the legislatures should be authorized to give certain guarantees to the dominion government with respect to the payment of the guaranteed securities and the interest thereon, I should have thought that end could have been accomplished by statutory enactments of the provinces concerned, in other words that by cooperation between this parliament and the legislatures of the provinces the same end could have been achieved more quickly and equally effectively.

There is, however, one element that enters into this part of the address. Paragraph 4 authorizes the government of Canada, in payment of principal, interest or sinking fund of the guaranteed securities, to withhold payment to the provinces of subsidies which have been granted in part by statute of the parliament of the United Kingdom and in part by statutory enactments of the parliament of Canada. It may be that in order to authorize the government of Canada to withhold the payment of subsidies when provincial governments are in default, or to withhold the payment of other funds in the nature of revenues received or collected by the government of Canada on behalf of the province, or to make direct payment of these funds to the creditor of the province, some additional statutory authority is required to remove any doubt as to the authority of parliament and of the government to deal with such matters by virtue of legislation of the parliament of Canada. But I do say, by way of suggestion, that instead of the rather verbose and extensive enactment suggested in this address, the desired end might have been accomplished by a short enactment of the parliament of the United Kingdom expressed in ten or a dozen

lines. However, a short time ago I noticed that on March 23 the Minister of Finance (Mr. Dunning) wrote:

The dominion government to-day were strongly of the view that it would not be advisable to go forward with constitutional amendment bill resolution for which is now on the order paper if any of the provinces object to its being proceeded with.

I have read the correspondence as submitted, but I fail to find that the government of any province has acquiesced in this legislation with the exception of the government of one province, Saskatchewan. Therefore it may be premature to invoke the legislative power of the parliament of the United Kingdom before it is ascertained at least that the governments of the several provinces are disposed to acquiesce in and carry out the general policy which the Minister of Finance has announced. I do not know when he changed his mind, but apparently it has been changed. I say that because the tenor of the correspondence, as I understood it, was that he would not proceed with the address to secure a statute of the parliament of the United Kingdom unless there was clear evidence that the governments of the provinces would acquiesce therein, and by virtue of the same statute enact provincial legislation to authorize the province to enter into such an agreement.

Mr. DUNNING: I do not think the correspondence the hon. member quotes quite bears out that statement.

Mr. CAHAN: Possibly not, but the inference I have indicated can be fairly drawn from it. I do not wish to misrepresent the position of the hon. member. I remember a smile of approval that awakened some controversy in the house, because that was one of the matters of which I approved at the time the Minister of Finance made his statement.

However that may be, it seems to me opposition to that part of the address is not justified to the extent that opposition to the first part of the address may be fully justified. We have reached a situation in Canada which has been brought about partly by the undue expenditures of some of the provinces, expenditures which if their nature were well known to the public of those provinces could not have been justified by public opinion. On the other hand some of the western provinces have been overtaken with emergent conditions by reason of which the parliament of Canada has been fully justified in extending such necessary financial aid and assistance as lay within the power and disposition of